Revitalisation of co-operative credit structure

485. SHRI LEKHRAJ BACHANI:
PROF. ALKA BALRAM KSHATRIYA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government appreciate that revitalization of the co-operative credit structure and making finance available to the farmers at reasonable rate of interest is critical for the development of the farm sector;

(b) if so, what steps have been taken by the Central Government on the representation received in regard to co-operative credit structure by the Government of Gujarat; and

(c) the likely date by which a decision will be taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) With a view to strengthening the cooperative banking system, the Government of India, has appointed Task Force on 05.08.2004 under the chairmanship of Prof. A. Vaidyanathan to recommend an implementable action plan for reviving the rural cooperative banking institutions taking into consideration *inter-alia* the main recommendations made by various Committees in this regard. Various representations received from State Governments including the Government of Gujarat for revitalization assistance will be decided on receipt of the report of the Task Force.

In the meantime, NABARD has been urging the Co-operative Banks to review the present structure of interest rates keeping in view of the margins required at each level for viable operations. Besides, in tune with the declining interest regime, NABARD has been reducing its rate of interest on refinancing from time to time.

Cluster based approach for lending to small scale industries

486. SHRI RAVI SHANKAR PRASAD:
SHRI B.J. PANDA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has asked the banks to adopt a cluster-based approach for lending to small and middle industries while exploring new instruments to promote rural industry;